



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/064,744	08/12/2002	James R. Birle JR.	MLCO.P001	6609

21121 7590 09/30/2005
OPPEDAHL AND LARSON LLP
P O BOX 5068
DILLON, CO 80435-5068

EXAMINER

KARMIS, STEFANOS

ART UNIT	PAPER NUMBER
----------	--------------

3624

DATE MAILED: 09/30/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 10/064,744	Applicant(s) BIRLE ET AL.	
	Examiner Stefano Karmis	Art Unit 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 August 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-83 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-83 is/are rejected.
- 7) ☒ Claim(s) 50 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>2 & 4-7, 10, 12/03</u> | 6) <input type="checkbox"/> Other: _____ |

Handwritten signature

DETAILED ACTION

1. This communication is in response to Applicant's application filed 12 August 2002. The rejections are as stated below.

Double Patenting

2. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

3. Claims 1-83 are provisionally rejected under the judicially created doctrine of double patenting over claims 83 of copending Application No. 10064,744. This is a provisional double patenting rejection since the conflicting claims have not yet been patented.

The subject matter claimed in the instant application is fully disclosed in the referenced copending application and would be covered by any patent granted on that copending application since the referenced copending application and the instant application are claiming common subject matter, a method performed with respect to an entity, indicia of ownership of the entity trading at a price, the method comprising the steps of: issuing a financial instrument indicative of a principal amount and receiving money therefor; promising pursuant to the financial instrument,

Art Unit: 3624

to repay said principal upon predetermined conditions and according to a predetermined term; promising, pursuant to the financial instrument, to allow a holder of the instrument to convert the instrument into indicia of ownership of the entity at a conversion price upon a contingency, the contingency comprising an event, occurring during the term, of indicia of ownership of the entity reaching a value that is in a predetermined relationship with the conversion price; and converting the instrument upon the holder's request if contingency is satisfied. Therefore claim 1 is identical in both applications. Claims 2-83 also contain similarities as that of claims 2-83 in application 10/064,744.

Furthermore, there is no apparent reason why applicant would be prevented from presenting claims corresponding to those of the instant application in the other copending application. See *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). See also MPEP § 804.

Claim Objections

4. Claim 50 is objected to because of the following informalities: Claim 50 recites a "financial instrument" however it is dependent upon an offering document. There is no antecedent basis for "financial instrument." Appropriate correction is required.

Claim Rejections - 35 USC § 101

5. Claims 1-83 are rejected under 35 U.S.C. 101 as non-statutory. The method claims as presented do not claim a technological basis in the preamble or the body of the claim. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) - used only for content and reasoning since not precedential].

Claim Rejections - 35 USC § 112

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-83 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Taken as a whole the claims recite an undue multiplicity of claims by virtue of the unreasonable number of claims presented would tend to obfuscate, confuse, and becloud the claimed invention. Because the examiner believes that in his judgment that twenty (20) claims

Art Unit: 3624

are sufficient to properly define applicants' invention, applicants are required to select certain claims, not to exceed twenty for examination on the merits of which no more than six are independent claims, See M.P.E.P. 2173.05(n). To be complete the non-selected claims must be cancelled or the applicant(s) must present appropriate arguments as to why the above rejection is in error. Note most patents (80%) have less than twenty claims while patents in excess of 100 claims are less than 0.35 percent cent of all cases filed and thus rare (See Federal Register: October 5, 1998 (Volume 63, Number 192, Page 53507). Note also the new excess claim fees effective 12/8/04 as evidence of what is considered to be unreasonable.

It is further noted that it would appear that a multiplicity of inventions also appear to be involved and the applicants are requested to group their selection accordingly to read on a single invention. The applicant should group the claims according to what he believes to be distinct inventions that may be restricted in a subsequent action.

Applicants are being afforded the courtesy of a written response due to the complexity of the case.

Claims 6, 11, 21, 25, 32, 36, 43, 47, 54, 58, 65, 69, 76 and 80 are rejected under second paragraph 35 U.S.C. 112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The examiner notes that applicant has couched his claim using the terms "financial instrument," "and "offering document." It is unclear whether these claims are directed to a system or apparatus? With out knowing such, the metes and bounds of the claims are confusing. For purpose of applying art, the claims are construed to be a system.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

9. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

10. Claims 1, 4, 6, 10, 11, 15, 19-21, 25, 29, 32, 36, 40, 43, 47, 51, 54, 58, 62, 65, 69, 73, and 76 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Bancorp Raises \$1.1 Billion Through Offering of U.S. Bancorp Zero-Coupon Convertible Senior Notes (hereinafter Bancorp) in view of Convertibles are breaking records (hereinafter Global Finance) in further view of Roberts et al. (hereinafter Roberts) U.S. Patent 4,739,478.

Regarding claims 1, 6, 11, 15, 21, 25, 29, 32, 36, 40, 43, 47, 51, 54, 58, 62, 65, 69, 73, and 76 Bancorp teaches issuing a financial instrument indicative of a principal amount and receiving money therefor (page 1); promising, pursuant to the financial instrument, to allow a holder of the instrument to convert the instrument into indicia of ownership of the entity at a conversion price upon a contingency, the contingency comprising an event, occurring during the term, of indicia of ownership of the entity reaching a value that is in a predetermined relationship with the conversion price (page 1); and converting the instrument upon the holder's request if the contingency is satisfied (page 1).

Bancorp further teaches that the senior notes are have a specified term when they are due (page 1). However, Bancorp fails to specifically teach promising, pursuant to the financial instrument, to repay said principal upon predetermined conditions and according to a predetermined term. Roberts teaches for restructuring debt obligations. Roberts teaches that principal amount of a bond is repaid to the bondholder on one or more dates that are specified at the time of the issue with the final installment payable on the bond's maturity date (page 1, lines 44-48). It would have been obvious to one of ordinary skill in the art to modify the teachings of Bancorp and include the teachings of Roberts and specify the repayment of the bond because it provides the details under which a bond is due over a given term as referenced by Bancorp.

Claims 4, 10, and 19, Bancorp teaches a bond is due. Bancorp fails to specify making cash interest payments prior to maturity according to a predetermined schedule. Roberts teaches bonds have a schedule of interest and principal repayments paid at regular intervals (page 1, lines 23-44). It would have been obvious to one of ordinary skill in the art to modify the teachings of

Art Unit: 3624

Bancorp and include the teachings of Roberts and specify the repayment of the interest on the bond because it provides the details under which a bond is due over a given term.

Claims 5 and 20, Bancorp and Roberts fail to teach issuing the bond as a physical document. Official Notice is taken that issuing a bond as a physical document is old and well known in the financial arts. Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Bancorp and Roberts and include issuing bonds as physical documents because the document can be used to communicate the purchase and the terms of the bond to the purchaser of the bond.

11. Claims 2, 3, 7-9, 12-14, 16-18, 22-24, 26-28, 30, 31, 33-35, 37-39, 41, 42, 44-46, 48-50, 52, 53, 55-57, 59-61, 63, 64, 66-68, 70-72, 74, 75, 77-79 and 81-83 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Bancorp Raises \$1.1 Billion Through Offering of U.S. Bancorp Zero-Coupon Convertible Senior Notes (hereinafter Bancorp) in view of Convertibles are breaking records (hereinafter Global Finance) in further view of Roberts et al. (hereinafter Roberts) U.S. Patent 4,739,478.

Claims 2, 3, 7-9, 12-14, 16-18, 22-24, 26-28, 30, 31, 33-35, 37-39, 41, 42, 44-46, 48-50, 52, 53, 55-57, 59-61, 63, 64, 66-68, 70-72, 74, 75, 77-79 and 81-83, Bancorp teaches that the contingency further comprises that the indicia of ownership of the entity reach a specified level (page 1). Bancorp fails to teach specific levels. Global Finance teaches contingency structures in which bonds are converted into common stock. Shares are not usually converted until shares

rise to 110-120% higher than the conversion price (page 1, last paragraph). Therefore it would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Bancorp and provide a specified level for conversion because it details the requirement for the conversion to take place.

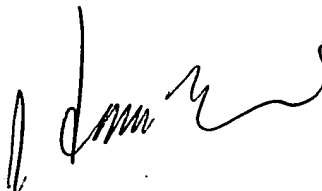
Conclusion

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Stefano Karmis whose telephone number is (571) 272-6744. The examiner can normally be reached on M-F: 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Respectfully Submitted
Stefano Karmis
12 September 2005



HANI M. KAZIMI
PRIMARY EXAMINER